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14 February 1956

MEMORANDUM FOR: Mr. Russell W. Hale, Chairman
Executive Committee, EDAC.

FROM : Chairman, EDIC.

SUBJECT : Transmittal of EDIC Case No. 17 "Proposal for
Identification of New Strategic Commodities"

1. The attached proposal (EDIC Case No. 17) is transmitted for consideration and such action as may be found appropriate.

2. EDIC approved this proposal on 9 February 1956, and agreed to refer it for consideration to the EDAC Executive Committee.

3. The views of EDIC with respect to this proposal may be summarized as follows:

a) The subject is important, since relevant technology is undergoing rapid change in the Sino-Soviet Bloc, is borrowed extensively from the free world, and is vital to Bloc war potential. It also provides one of the few promising arguments by which the United States can persuade other PC's to add new items to the trade control lists.

b) Implementation is expected to be difficult. Much of the necessary expertise appears to be in the Department of Defense, where it is not readily available for various reasons, including organization and conflicting priorities.

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c) More systematic and comprehensive organization and procedures than now exist will be necessary for effective implementation. Responsibilities should be clearly fixed.

d) The problem is broader than the EDIC terms of reference, although the EDAC intelligence community, through EDIC, can make a significant contribution.

4. The Executive Committee is requested to:

- a) Approve or amend the paper;
- b) Consider a program, including responsibilities and procedures for continuing work on this subject;
- c) Take such other action as it may find appropriate.

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Chairman
Economic Defense Intelligence Committee

Attachment:

cc: Executive Secretary, EDAC

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